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CHARLES ELMORE CROPLEY
CLERK

THE SUPREME COURT OF THE UNITED STATES

WASHINGTON, D. C.

Gussie P. Chapman,
Appellant,
Vs.
Commissioner of Internal Revenue
Appellee.
No. 573

NOTICE OF APPEAL

PETITION FOR REVIEW

BRIEF FOR APPELLANT

Gussie P. Chapman,
Pro. Se.

THE SUPREME COURT OF THE UNITED STATES

WASHINGTON, D. C.

Gussie P. Chapman, Appellant,	
Vs.	**No. .....**
Commissioner of Internal Revenue Appellee.	

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UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT
SAN FRANCISCO, CALIFORNIA

GUSSIE P. CHAPMAN,
APPELLANT.
vs.
COMMISSIONER OF INTERNAL REVENUE,
APPELLEE.
NO. 12705

NOTICE OF APPEAL

This is to object to and protest the opinion of this court, United States Court of Appeals for the Ninth Circuit, San Francisco, California, said opinion given under date of Oct. 10, 1951. The appellant assumes the formal decision will be in accordance with the opinion as rendered October 10, 1951., i. e.; opinion in favor of appellee.

The petitioner/appellant, herewih, serves notice of appeal to the next and highest court—The Supreme Court of the United States.

The reasons and facts sustaining this appeal are as follows:

I

THAT: Sec. 400 of the Internal Revenue Code has not been properly or correctly interpreted and applied for the benefit and use of the tax-payer.

II

THAT: The appellant has been denied the right to use and the benefits of Sec. 400 of the Internal Revenue Code, which, when properly applied, gives the tax-payer the right to and benefit of his/her personal exemption.

III

THAT: The tax table, page 4, 1040form, does not allow for the personal exemption of the **lone tax-payer.**

IV

THAT: The petitioner/appellant claims (and proves this claim and statement by actual computation) that the tax-payer has been cheated of his/her proper personal exemption whenever he/she uses the table, page 4, 1040form, on his/her gross income, however, Sec. 400 of the Internal Revenue Code gives relief to this situation when properly applied.

V

THAT: The respondent/appellee evades the issue, i. e., the right of the appellant to use Sec. 400 of the Internal Revenue Code and failed to prove (by actual computation) that the tax table, page 4, 1040form, allows for the personal exemption of the lone tax-payer.

WHEREFORE: In view of the ruling of this court which denies the petitioner/appellant the right to her personal exemption and denies the right to relief, through the use of Sec. 400 of the Internal Revenue Code: the petitioner/appellant appeals to the next and highest court of the land—the Supreme Court of the United States, for relief from exorbitant and as she believes, an illegal tax. AND: she asks for the proper and correct interpretation and application of Sec. 400 of the Internal Rev. Code.

Respectfully submitted,
s/GUSSIE P. CHAPMAN
Gussie P. Chapman
Petitioner/appellant

Helena, Montana
November 8, 1951.

THE
SUPREME COURT OF THE UNITED STATES

GUSSIE P. CHAPMAN,
Petitioner,
vs.
COMMISSIONER OF INTERNAL REVENUE,
Respondent,
NO.....

PETITION FOR REVIEW

The above named petitioner/appellant hereby appeals from the decision of The United States Court of Appeals, for the Ninth Circuit, San Francisco, California, to this, The Supreme Court of the United States for a hearing and review of this case as set forth in "Petition For Review", page 60, in the Transcript Of Record. The interpretation of Sec. 400 of the Internal Revenue Code is involved herein.

The controversy in this case stems from the petitioner/appellant's 1946 taxes and taxes for all succeeding years as long as the appellant's adjusted gross income is less than $5,000. The correct interpretation and application of Sec. 400 of the Internal Revenue code protects this low income class of people.

The petitioner/appellant alleges errors as follows:

I

THAT: Appellant's 1946 tax was computed wrong by both respondent/appellee and petitioner/appellant. Both parties were wrong in this computation, the correct computation of which, affects the appellant's taxes for all succeeding years as long as the adjusted gross income is less than $5,000. (Sec. 400 of the Internal Revenue Code).

II

THAT: The tax table, page 4, 1040form, does not allow proper exemptions and proper deductions as allowed the tax-payer by law.

III

THAT: The appellant has been denied the use of and proper administration of Sec. 400 of the Internal Revenue Code, which, if properly employed, would considerably reduce the appellant's income tax each year.

IV

THAT: The Transcript of Record errs by failing to include, as a part of the record, a Step-By-Step computation of the applicant's 1946 tax. This Step-By-Step computation of the 1946 tax was introduced and referred to at the hearing before the U. S. Court of Appeals, for the Ninth Circuit, San Francisco, Oct. 9th, 1951, and should have been a part of the Transcript of Record. This Step-By-Step computation is a vital point in this case as it proves the table, page 4, 1040form, does not allow proper exemption and deductions as provided by law.

WHEREFORE: The Petitioner/Appellant prays:

I

THAT: She may be allowed to come before this honorable court, The Supreme Court of the United States, and compute this tax step-by-step which computation will conform absolutely with Sec. 400 of the Internal Revenue Code and will prove absolutely that the table, page 4, 1040form, does not allow the proper personal exemption.

II

THAT: She may be allowed to come before this honorable court and present additional new evidence, and vital evidence, in this case which proves that the table, page 4, 1040form, does not allow the proper personal exemption.

III.

THAT: This case may not/shall not be decided

alone and merely by the faulty Transcript of Record, as provided by the lower court, the U. S. Court of Appeals for the Ninth Circuit, **BUT:** the afore mentioned vital evidence be admitted and considered for a fair and just decision.

IV.

THAT: The petitioner/appellant, Gussie P. Chapman, be reimbursed, whatsoever the law allows, for expenditures incurred since the beginning of this case: AND, that tax refunds for the years since and including 1946 be refunded: AND, that the tax account of Gussie P. Chapman, with the Bureau of Internal Revenue, be brought up to date and settled in full according to Sec. 400 of the Internal Revenue Code.

Respectfully submitted,

(s)/GUSSIE P. CHAPMAN
Gussie P. Chapman,
Petitioner/appellant

STATE OF MONTANA
County of Lewis & Clark } ss.

Gussie P. Chapman, being duly sworn, says she is the petioner/appellant above named: That she has read the foregoing petition and is familiar with the statements contained therein, and the statements are true to the best of her knowledge and belief.

s/Gussie P. Chapman
Affiant

Subscribed and sworn to before me this 11th day of December, 1951.

s/Ethel S. Hallberg
Notary Public.

THE SUPREME COURT OF THE UNITED STATES
WASHINGTON, D. C.

GUSSIE P. CHAPMAN,
APPELLANT
Vs.
COMMISSIONER OF INTERNAL REVENUE,
APPELLEE
} No. .....

BRIEF FOR APPELLANT

PRELIMINARY STATEMENT

This case involves the appellant's 1946 income tax and all income taxes for succeeding and future years as long as the adjusted gross income, of the appellant, is less than $5,000. Primarily this case involves the proper interpretation of Sec. 400 of the Internal Revenue Code, which section governs incomes of those whose adjusted gross is less than $5,000.

The appellant is now and was then seeking the lowest possible tax and she found this law, Sec. 400 of the Internal Revenue Code to be to her advantage and benefit.

In the Tax Court of the United States, in session October 18, 1949, at Helena, Montana, the petitioner/appellant had this to say. . . . ."and I want all former computations stricken, and take the table on my net income." Page 31, paragraph 3, Transcript of Record. The table referred to in this statement is the table, Page 4, 1040form. The appellant believes that by taking the table, page 4, 1040form, and in compliance with Sec. 400 of the Internal Revenue Code, this will be to her best interest and will give her the lowest possible tax which she is seeking.

QUESTIONS PRESENTED

IN SEEKING THE LOWEST POSSIBLE TAX FOR THE PETITIONER/APPELLANT

(a) Did respondent/appellee properly determine petitioner's Federal income tax liability for the year 1946 was in the amount of $181.00 **AND,** as provided by **Section 400** of the Internal Revenue Code?

(b) Did respondent/appellee allow the petitioner/appellant the **right to** and **use of** the tax table, page 4, 1040form, **AND,** as provided by Sec. 400 of the Internal Revenue Code?

(c) Did petitioner/appellant prove her contention: i.e., the table on page 4, 1040form, **DOES NOT** allow the personal exemption ($500 then, $600 now) as provided by Congress for every tax-payer of the land?

(d) Does the 1040form, U. S. INDIVIDUAL INCOME TAX RETURN, make such claim: i.e., that the personal exemption has been allowed by the table, page 4, 1040form?

STATUTES AND REGULATIONS INVOLVED

Internal Revenue Code:

"SEC. 400. IMPOSITION OF TAX

"In lieu of the taxes imposed by sections 11 and 12, there shall be levied, collected, and paid for each taxable year upon the net income of each individual whose adjusted gross income for such year is less than $5,000, and who has elected to pay the tax imposed by this supplement for such year, the tax shown in the following table: (the table is that on page 4, 1040form.)

The petitioner/appellant having been confused in the computation of her 1946 income tax, and in this confusion she computed her tax using a sort of combination of secs. 11 and

12 together with the tax table, page 4, 1040form. (See photostat, page 36, No. 12705, TRANSCRIPT OF RECORD —U. S. Court of Appeals, for the ninth circuit.) The above described computation was adjudged wrong or incorrect by the Collector of Internal Revenue at Helena, Montana, and the Collector relegated the petitioner/appellant's 1946 tax to the tax table, Page 4, 1040form. The appellant accepted this relegation at the hearing in the U. S. Tax Court, in session at Helena, Montana, October 18, 1949. (See page 24, last paragraph, No. 12705 Transcript of Record—U. S. Court of Appeals, for the ninth circuit)—in this the following is said:

> Mrs. Chapman: "Well, I am willing to take the table if they will let me take the table on my net income and the law says I may take the table on my net income".....

And at this same hearing the appellant again says: (See page 31, 3rd paragraph, No. 12705 Transcript of Record. U. S. Court of Appeals for the ninth circuit)—

> Mrs. Chapman: Your Honor, I have gone over this thing very thoroughly, and as I say, I was confused, and I want all former computations stricken and take the table on my net income."

APPELLANT'S REQUEST FOR FINDINGS OF FACT

1. Petitioner/Appellant, Gussie P. Chapman, is an individual residing in Helena, Montana, who filed her tax return with the Collector of Internal Revenue at Helena, Montana, for the years 1946, 1947, 1948, 1949, which this case includes and any and all years thereafter so long as the adjusted gross income is less than $5,000.

II. Throughout this case, the computations made by the various representatives for the Respondent/Appellee, these computations have computed the Appellant's tax according to Sections 11 and 12 of the Internal Revenue Code.

III. The Appellant has repeatedly made the statement that she will/would accept the tax table, page 4, 1040form,

which right was allowed by the Collector in a letter dated Dec. 29, 1947—(See page 43, par. 1 Transcript of Record). This table is in lieu of Sections 11 and 12 which is plainly stated in Sec. 400 of the Internal Revenue Code.

IV. Whenever the Respondent/Appellee, or his representatives, have used the table, page 4, 1040form, to compute the Appellant's taxes they have persisted in using this table on the **gross income** of the tax-payer and by thus computing the tax the tax-payer is denied and deprived his/her right to a personal exemption as allowed by law and such computation is in violation of Sec. 400. of the Internal Revenue Code.

V. The computation of the Appellant's 1946 and 1949 taxes conforms absolutely with Sec. 400 of the Internal Revenue Code and these computations are attached hereto for the information and review of this honorable Court. (See Exhibits A, B. C.)

VI. Attention is called to the fact: No where/place on the 1040form U. S. Individual Income Tax Return, is the claim or statement made, i.e., that the table, page 4, 1040form, allows for the personal exemption; it does say, however, page 1, par. 3, 1040form, ... "This table, which is provided by law, automatically allows about 10 percent of your total income for charitable contributions, interest, taxes, casualty losses, medical expenses, and miscellaneous expenses." . . . . . these items are termed "deductions" and has nothing to do with the $500/$600 personal exemption.

ARGUMENT

An analysis of Judge Arundell's opinion as promulgated, May 26, 1950, Gussie P. Chapman, petitioner Vs. Commissioner of Internal Revenue, Respondent, in The Tax Court of the United States, docket No. 19426; and confirmed by the U. S. Court of Appeals for the Ninth Circuit Oct. 10, 1951, San Francisco, California, Docket No. 12705, it is plain to understand that the Honorable Judge's opinion was based on errors and false representation of the case as

presented the court by the Respondent and that no consideration was given the Petitioner regarding her right to use the table, page 4, 1040form, for the purpose of computing her taxes according to Sec. 400 of the Internal Revenue Code, said table to be used and conforming with the correct and proper interpretation of said Sec. 400 of the Internal Revenue Code.

The Petitioner/Appellant has repeatedly made the statement: i.e. The tax table, Page 4, 1040form, **does not allow the personal exemption** ($500 or $600 according to the tax year), **UNLESS** the table is used in conformity with Sec. 400 of the Internal Revenue Code. (See Exhibit A)—A Step-by step Computation of the Petitioner/Appellant's 1949 Taxes, page 16 of this brief. Also see, "How To Find The Correct Tax By The Tax Table, page 4, 1040form", page 12 of this brief. See "Computation of Income Tax on a Gross Income of $1,606.27 for 1946—Income Tax of Gussie P. Chapman," page 14 of this brief. (Exhibit B.)
The Respondent/Appellee has repeatedly and persistently computed the Petitioner/Appellant's taxes according to Secs. 11 and 12, of the Internal Revenue Code and by so doing the Respondent did mis-represent this case to The Tax Court of the United States, AND, since the decision of Judge Arundell and confirmed by the U. S. Court of Appeals, was based on this misrepresentation and false premise, and said decision has deprived the Petitioner/Appellant of her election and right to use the tax table, page 4, 1040form, according to Sec. 400 of the Internal Revenue Code, AND, since said Sec. 400 is **in lieu of** Secs. 11 and 12,

NOW THEREFORE: the Appellant prays that this honorable court, The Supreme Court of the United States, will review this case on the facts and merits as upheld and substantiated by governing laws, AND, that the erroneous decision of Judge C. H. Arundell of the Tax Court of the United States, and confirmed by the U. S. Court of Ap-

peals, these decisions be set aside and restore to the tax-payer, Petitioner/Appellant, Gussie P. Chapman, her rights to a fair and just tax as is vouchsafe all tax-payers by Sec. 400 of the Internal Revenue Code.

The Appellant also requests that this court, The Supreme Court of the United States, will cause to be refunded all back taxes due the appellant, as computed according to Sec. 400 of the Internal Revenue Code, THAT, this computation shall continue as long as the Appellant's adjusted gross income is less than $5,000. THAT, all costs and expenses of this case, as have been expended by the Appellant as set forth page 19, these tax refunds, costs and expenses shall be refunded and restored to the Petitioner/Appellant, Gussie P. Chapman.

CONCLUSION

This is a matter that affects many thousands of people throughout the United States—people of the lower income brackets—people who need every penny of their earnings. This tax, as it is administered in the State of Montana, takes from these people something like $40 on the $1,000 net income.

This case needs the earnest consideration of this honorable Court regarding the proper interpretation of Sec. 400. of the Internal Revenue Code and when that consideration is given, it follows that the determination of this court will be for the petitioner/Appellant.

Respectfully submitted,
s/Gussie P. Chapman
Petitioner/Appellant.

Jan. 31, 1952

(EXHIBIT A)

HOW TO FIND THE CORRECT TAX BY THE TAX TABLE (Page 4, 1040form)

A STEP BY STEP PROCESS OF COMPUTATION OF INCOME TAX, **PROVIDED,**

the tax-payer elects to take the table, page 4, 1040form. This process of computation conforms absolutely with Sec. 400 of the Internal Revenue Code.

1st. Step: Tax-payer must give his/her total or gross income.

2nd. Step: Deduct from the gross income the $500 or $600 (depending upon the tax year) personal exemption allowed by law.

3rd. Step: Deduct from the results of the 2nd. step, the 10% of gross income for deductions (as defined on page 1, par. 3, 1040form). The result of this 3rd. step will be the tax-payer's adjusted gross income.

> Since the table, page 4, 1040form, allows about 10% for charitable contributions, etc. (see page 1, par. 3, 1040form)—the next step must be to find what amount was allowed by the table in actual dollars and cents. **THEREFORE:**

4th. Step: Take the tax-payer's gross income: turn to page 4, 1040form, and find the amount of tax the table calls for on the tax-payer's gross income.

5th. Step: Take the tax the table calls for and divide this amount by the tax-payer's gross income—the result will

be the percentage of taxation the table has taken for taxes on the gross income.

20% is the full tax (normal and surtax) before allowable personal exemptions and deductions are made.

NOW:

6th. Step Subtract the percentage of taxation as found in the 5th. step from the full 20% tax and the result will be the percentage of gross income the table has allowed for the tax-payer's exemptions and deductions.

7th. Step Multiply the tax-payer's gross income by the percentage result of the 6th. step and the result will be the actual allowance, in dollars and cents, as allowed by the table, page 4, 1040form, for the tax-payer's allowable exemption and deductions.

8th. Step: NOW: Since the amount, as shown in the 7th. step, has been allowed by the table, **THEN**: The tax-payer must add this amount to his/her gross to find the true and correct tax by the table, page 4, 1040form.

NOTE: This process conforms absolutely with Sec. 400. of the Internal Revenue Code.

See: —Computation of Income Tax on a Gross income, $1,606.27—page 14 (Exhibit B)

Computation of Income Tax on a Gross income, $2,568.34, page 16 of (Exhibit C)

(EXHIBIT B)

COMPUTATION OF INCOME TAX ON A GROSS INCOME ON $1,606.27 FOR 1946 INCOME TAX

OF

GUSSIE P. CHAPMAN

Account No. 7115503
Income tax for 1946

Gross income $1,606.27
Withholding $193.90

Tax (as per table on page 4, 1040-form) for gross income of $1,606.-27—$181.00
20% or .2000—full tax
11.26%-.1126--tax on gross income

8.74%-.0874 amt. allowed by the table, page 4, 1040form, for exemptions and deductions.

		11.26% of gross inc.
gross in.	$1,606.27	/181.000000
		160 627
		20 3730
		16 0627
1606.27		4 31030
.0874		3 21254
642508		1 097760
1124389		963762
1285016		133998
$140.387992		

or

$140.39—amt. allowed by table, page 4, 1040-form for exemptions and deductions.

(Exhibit B, Continued)

$1606.27—gross income
500.00—exemption allowed by law

$1106.27—
160.63—10% deduction allowed by law

$ 945.64—adjusted gross
$ 140.39—amt. allowed by table, page 4,

$1086.03 1040form, and must be added to the adjusted gross so as to be able to find the correct tax as per table, page 4, 1040form.

"SUPPLEMENT T—INDIVIDUALS WITH ADJUSTED GROSS INCOME OF LESS THAN $5,000

"Sec. 400. IMPOSITION OF TAX.

"In lieu of the taxes imposed by sections 11 and 12, there shall be levied, collected, and paid for each taxable year upon the net income of each individual whose adjusted gross income for such year is less than $5,000, and who has elected to pay the tax imposed by this supplement for such year, the tax shown in the following table: (the table is that on page 4, 1040form.)

$1,606.27 is the gross income — $1,086.03 is the adjusted gross. Since the table, page 4, 1040form, allows $140.39 ("about 10%" for deductions) then that amount, $140.39, must be added to the adjusted gross to find the correct tax as per table, page 4, 1040form. $945.64—adjusted gross plus $140.39—"about 10%" for deductions—this gives a sum of $1,606.03 and the table, page 4, 1040form, 1946, gives the tax for this amount to be $91.00. Withheld tax $193.00. $193.90 minus $91.00 gives the amount of refund to be $102.90. The Collector's office issued a refund on this 1946 account in the amount of $127.40, Therefore: the tax-payer owes the Federal Govt. $24.50 on her 1946 taxes. Tax-payer protests any/all interest charges. Account should have been checked for errors before refund issued.

EXHIBIT C

COMPUTATION OF INCOME TAX ON A GROSS INCOME ON $2,568.34 FOR 1949 INCOME TAX

OF

GUSSIE P. CHAPMAN

Gross income $2,568.34
Withholding $286.30
Tax, (as per table on page 4, 1040form) for gross income of $2,568.34—$283.00
20% or .20—full tax
11% or .11—tax on gross inc.

9% or .09—amt. allowed by table, page 4, 1040form, for exemption and deductions.

11% of gross inc.

Gross income $2,568.34/283.0000

256 834

26 1660
25 6834

4826

2568.34
.09

$232.1506 or $232.15—amt. allowed by table, page 4, 1040form, for exemptions and deductions.

$2568.34—gross income
600.00—exemption allowed by law

1968.34
256.83— 10% deduction allowed by law

$1711.51—adjusted gross
232.15—this amt. must be added to the adjusted gross since this amt., $232.15, was allowed by the table, page 4, 1040form.

$1943.66

"INDIVIDUAL INCOME TAX ACT OF 1944."— "SUPPLEMENT T INDIVIDUALS WITH ADJUSTED GROSS INCOME OF LESS THAN $5,000"—SEC. 400. IMPOSITION OF TAX:

> "In lieu of the taxes imposed by sections 11 and 12, there shall be levied, collected and paid for each taxable year upon the net income of each individual whose adjusted gross income for such year is less than $5,000, and who has elected to pay the tax imposed by this supplement for such year, the tax shown in the following table: (table, page 4, 1040form.)

$2,568.34 is the gross income—$1711.51 is the adjusted gross. Since the table, page 4, 1040form, allows $232.15 for exemptions and deductions then that amount, $232.15 must be added to the adjusted gross, $1711.51, the sum of $1711.51 plus $232.15 is $1943.66.

The table, page 4, 1040form, gives the tax on $1,943.66 to be $190.00.

$286.30—amt. withheld
190.00—amt. of tax

$ 96.30—amt. of refund due

s/GUSSIE P. CHAPMAN

A CORRECT COMPUTATION AND REPORT OF
INCOME TAX FOR
GUSSIE P. CHAPMAN, APPELLANT
FOR
THE YEARS: 1946-1947-1948-1949-1950-

A SUMMARY

In this summarized report, the taxes, for each year, have been computed in accordance with Exhibit "B"—for the year 1946 and, in accordance with the computation of the appellant's 1949 taxes. These computations conform and agree with Sec. 400 of the Internal Revenue Code.

A SUMMARIZED REPORT

Year	Gross Income	Tax Withheld	Correct Tax	Correct Refund
1946	$1,606.27	$193.90	$ 91.00	$102.90
1947	1,991.68	245.00	151.00	94.00
1948	2,267.83	256.80	149.00	107.80
1949	2,568.34	286.30	190.00	96.30
1950	2,785.44	335.20	230.00	104.80
Total	$11,219.56	$1317.20	$811.00	$505.80
			Refund credits	127.40
			Amount due appellant	$378.40

CREDITS: REFUNDS

1946	Refund	$127.40
1947	No Refund	
1948	Refund check not cashed	$ 18.80
1949	Refund check not cashed	3.30
1950	Refund check not cashed	3.20
Total amount of credits as per refunds		$127.40

TAX REFUNDS AND COURT COSTS IN THE CASE OF

CHAPMAN V. COMMISSIONER

SUMMARY AND GRAND TOTAL OF AMOUNTS DUE APPELLANT AND APPELLEE

Amounts Due	Appellant—Apellee
Refund on Appellant's 1946 tax	$127.40
Refund by Court of Appeal (Transcript of Record)	72.86
Tax Refunds due, as per Sec. 400, Int. Rev. Code for years, 1946-1947-1948-1949-1950	$505.80
The Tax Court of the United States, filing fee..	10.00
The United States Court of Appeals, filing fee..	25.00
Transcript of Record, U. S. Court of Appeals..	245.00
Transcript of Record, Supreme Court of U. S.....	50.00
Filing Fee, Supreme Court of United States	100.00
40Printed Copies of Appeal and Brief, etc.	114.75
	$1,050.55 $200.26
	200.26
Amount due Appellant	$850.29

$25.00 ← Refund 1/24/1952

NOTE: The Appellant has made no charges for Attorney fees, stenographic work nor postage. Barring mechanical errors, the Appellant believes this summarized statement is correct in every detail and she says it conforms, absolutely, with Sec. 400 of the Internal Revenue Code.

APPENDIX

	Pages
Letter dated, 12/21/1951, Requesting Extention of Time	21
Letter dated, 1/2/1952, Allowing Extention of Time	22
Letter date, 1/31/1952, Inclosed with 40 Printed copies of this Document to Clerk of Supreme Court of the U. S. in the case of Gussie P. Chapman V. Commissioner of Internal Revenue	23

Helena, Montana
Box 287
December 21, 1951

RE:Chapman V. Commissioner:

Clerk of the
SUPREME COURT OF THE UNITED STATES
Washington 13, D. C.

Dear Sir:

Because of my unfamiliarity with the rules and practices of this Court, and on account of the holiday season etc., I find the time remaining is too short for me to comply with rule 38 which governs this case.

You will please extend this time 30 days from date of January 8, 1952 to February 8, 1952 for the purpose of complying with rule 38: time for filing petition for writ of certiorari in this court.

Thanking you for this favor and for the Revised Rules of the Supreme Court of the United States which was sent me recently.

Very truly yours

Mrs. Gussie P. Chapman

Office of the Clerk

Supreme Court of the United States

Washington 13, D. C.

January 2, 1952

Mrs. Gussie P. Chapman
Helena, Montana.

Re. Chapman v. Comm'r. of Internal Revenue

Dear Madam:

Your letter of the 21st, requesting an extension of time was presented Mr. Justice Douglas who on December 31st signed an order extending the time to and including February 7th. A copy of the Justice's order is enclosed and you should advise your adversary of its entry.

Yours truly,

Charles Elmore Cropley, Clerk

By E. P. Cullinan,
Assistant

EPC:mb
Encl.

Helena, Montana
Box 287
Jan. 31, 1952

RE: Chapman V. Commissioner:

Clerk,
THE SUPREME COURT OF THE UNITED STATES
Washington, D. C.

Dear Sir:

Under separate cover, I am sending ~~Inclosed, herewith, are~~ 40 printed copies of the case of Gussie P. Chapman Vs. Commissioner of Internal Revenue, as required by this court.

The required printed matter is composed of the following:

Notice of Appeal—dated November 8, 1951

Petition for Review—dated December 11, 1951.

Petitioner/Appellant's Brief

Copy of this letter: Clerk, The Supreme Court of the United States.

The petitioner does not want this case decided on the Transcript of Record as an examination of said Transcript of Record, reveals the fact that important material, i.e., "Step-by-Step Computation of Income Tax," has been omitted from the Transcript of Record. The case cannot be justly and adequately decided without this computation before the court for the court's consideration.

WHEREFORE: to decide this case on the faulty and er-

roneous Transcript of Record would be denying the petitioner/appellant and thousands of other tax payers, throughout the United States, their rights as allowed by law, to their personal exemption in their income tax.

The petitioner wants this case decided on the interpretation and application of Sec. 400 of the Internal Revenue Code, and wishes to appear before the Supreme Court and compute this or any other tax WHEREBY, she will prove that the table page 4, 1040form of the U. S. Individual Income Tax Return, does not allow the taxpayer his/her personal exemption allowed by law.

I have your letter acknowledging receipt of Petition for Review and $100.00 filing fee.

Very truly yours,

s/Gussie P. Chapman

NOTE: This letter to be a part of and included in petitioner/appellant's Petition for Review and Brief for Appellant.

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In the Supreme Court of the United States

OCTOBER TERM, 1951

No. 573

GUSSIE P. CHAPMAN, PETITIONER

v.

COMMISSIONER OF INTERNAL REVENUE

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

---

BRIEF FOR THE RESPONDENT IN OPPOSITION

OPINIONS BELOW

The opinion of the Tax Court (R. 52-58) is reported at 14 T.C. 943. The opinion of the Court of Appeals (R. 78) is reported at 191 F. 2d 816.

JURISDICTION

The judgment of the Court of Appeals was entered on October 10, 1951. (R. 79.) The petition for a writ of certiorari was filed on February 7, 1952, within the time allowed by an order entered by Justice Douglas on December 31, 1951. (R. 81.) The jurisdiction of this Court is invoked under 28 U.S.C. 1254.

QUESTION PRESENTED

Whether the income tax determined to be due from the petitioner for 1946 was properly computed in accordance with Section 400 of the Internal Revenue Code.

STATUTE AND REGULATIONS INVOLVED

The pertinent provisions of the applicable statute and regulations are set forth in the Appendix, *infra,* pp. 9-20.

STATEMENT

The facts as found by the Tax Court (R. 52-55) and which are not in dispute may be summarized as follows:

Petitioner is an individual residing in Helena, Montana, who filed her 1946 individual income tax return with the Collector of Internal Revenue for the District of Montana. (R. 52.)

During the taxable year, petitioner was employed as a file clerk by the Bureau of Internal Revenue. In her 1946 return she reported as her only income a salary of $1,606.27 (R. 52) and claimed the following deductions (R. 53):

Contributions		$ 11.00
Taxes:		
Real Estate	$13.42	
Telephone and Tolls	10.09	23.51
Loss from Theft		65.00
Medical Expenses		32.90
Total Deductions		$132.41

Petitioner filled in the tax computation section on page 3 of her return, which section is headed (R. 53):

Tax Computation—For Persons Not Using Tax Table on Page 4	
Line 1—Adjusted gross income	$1,606.27
Line 2—Deductions	132.41
Line 3—Net income	$1,473.86
Line 4—Exemption	500.00
Line 5—Difference	$ 973.86
Line 6—Tentative Tax	70.00
Line 7—5% of amount entered on line 6	3.50
Line 8—Combined normal tax and surtax	$ 66.50

The tentative tax in the amount of $70, entered on line 6 on page 3 of petitioner's return, was not computed at the rates prescribed by Sections 11 and 12 of the Internal Revenue Code but was taken from the tax table on page 4 of Form 1040 and Section 400 and represents the amount of tax for an individual with one exemption having an income of at least $950 but not more than $975. (R. 53-54.)

Petitioner claimed a refund of the difference between the amount withheld from her salary and the tax liability shown on her return, computed as follows (R. 54):

Amount of tax withheld	$ 193.90
Tax liability per return	66.50
Overpayment claimed	$ 127.40

The amount of $127.40 was refunded to petitioner prior to the audit of her return. (R. 54.)

After examination, a 30-day letter was issued to petitioner by the Collector under date of December 29, 1947, explaining that the deductions she had claimed in the amounts of $10.09 for federal excise taxes and $32.90 for medical expenses were not deductible for income tax purposes for the reason that excise taxes may be deducted only as business expenses or expense incurred in the production of income, and that her medical expenses failed to exceed five per cent of her adjusted gross income. (R. 54.)

The Collector further held that petitioner had used parts of both methods in determining her tax, and since she had failed to indicate a clear election to use either Sections 11 and 12, or Section 400, he computed the liability under the method which produced the smaller tax. Her liability under Sections 11 and 12, based upon the allowable deductions and one personal exemption, was determined to be $193.20, whereas her liability under Section 400, using the tax table provided therein, was determined in the amount of $181. Thus the 30-day letter and the subsequent statutory notice of deficiency determined a deficiency in the amount of $114.50, representing the difference between a liability of $181 and the tax in the amount of $66.50 shown to be due on petitioner's return. (R. 54-55.)

The Tax Court held that the petitioner's income tax for the year 1946 had been properly determined by the Commissioner and so found that there was a deficiency of $114.50 for that year. As to interest claimed by the Government on such sum, the Tax Court held that it had no jurisdiction over matters concerning interest. (R. 57-58).

The Court of Appeals affirmed the decision of the Tax Court for the reasons stated in the latter's opinion. (R. 78-79.)

ARGUMENT

Petitioner asserts that Section 400 of the Internal Revenue Code (Appendix, *infra,* pp. 12-13) has been erroneously interpreted and applied to the facts of her case. Section 400 provides that—

> In lieu of the taxes imposed by sections 11 and 12, there shall be levied, collected, and paid for each taxable year upon the net income of each individual whose adjusted gross income for such year is less than $5,000, and who has elected to pay the tax imposed by this supplement for such year, the tax shown in the following table: * * *

It is evident that when a taxpayer elects the alternative method set out in the above section he must pay the tax which is shown in the table therein and which is also given in the table on page 4 of Form 1040 to which petitioner repeat-

edly refers. By using this tax table the Commissioner determined petitioner's tax to be $181, but she asserts that such amount is excessive because the tax has been imposed on gross income rather than on net income as Section 400 requires. In this connection, she also asserts that the Commissioner failed to allow her the $500 personal exemption as authorized by Section 25 of the Internal Revenue Code (Appendix, *infra,* p. 12), and she also appears to contend that she has been denied the standard deductions.

There is no basis for the petitioner's contention. Petitioner is apparently confused by the appearance of the term "adjusted gross income" in the heading of one column of the tax table in Section 400. But such income (i.e., gross income minus business deductions as allowed by Section 22 (n) of the Internal Revenue Code (Appendix, *infra,* p. 10)) is merely the starting point for the computation which resulted in this tax table. As a first step in the computation, Congress subtracted standard deductions approximating 10 per cent of the various amounts of gross income, and as a second step it subtracted the $500 personal exemption and credits for dependents, if any, Then it computed the tax on the remaining income and set out the resulting figures in the tax table.* See H.

---

* Petitioner's adjusted gross income was $1,606.27; her allowable exemption was $500; and the standard deduction of 10 per cent (allowable in 1946 to persons having adjusted

Conference Rep. No. 1203, 77th Cong., 1st Sess., p. 8 (1941-2 Cum. Bull. 509, 510); H. Rep. No. 1365, 78th Cong., 2d Sess., pp. 19, 20 (1944 Cum. Bull. 821, 836, 837); also see Instructions for Tax Table on Page 4 of Form 1040, and Sections 29.400-1 and 29.402-1 of Regulations 111 (Appendix, *infra,* pp. 15-20).

Actually, what the petitioner is contending for is the privilege of subtracting allowable deductions and credits from gross income and then of using the resulting figure, with a minor adjustment, as the starting point for applying the tax table. In other words, she seeks double deductions and credits but such allowances have never been authorized. Petitioner's tax has not only been computed properly but, as the Tax Court pointed out (R. 57), it is less than it would have been if it had been computed under Sections 11 and 12.

---

gross income of less than $5,000 only when Section 400 was applied) was $160.63. When these two items are subtracted from $1,606.27, it leaves taxable income of $945.64. The normal tax of 3 per cent and surtax of 17 per cent on the latter sum amounts to $189.13 and under the law for 1946 this could be reduced by an amount equal to 5 per cent of the total tentative tax or by $9.46 which would leave a total tax of $179.67. Under the table (which uses the median figure in the income bracket of $1,600 to $1,625) the tax would be $181. Accordingly the tax as figured above is approximately the same and indicates that the table unquestionably allows deductions and exemptions.

CONCLUSION

As there is no basis for review, the petition should be denied.

Respectfully submitted,

PHILIP B. PERLMAN,
Solicitor General.
ELLIS N. SLACK,
Acting Assistant Attorney General.

A. F. PRESCOTT,
LOUISE FOSTER,
Special Assistants to the Attorney General.

March, 1952.

APPENDIX

Internal Revenue Code:

SEC. 11 [as amended by Sec. 101 (a) of the Revenue Act of 1945, c. 453, 59 Stat. 556]. NORMAL TAX ON INDIVIDUALS.

There shall be levied, collected, and paid for each taxable year upon the net income of every individual a normal tax determined by computing a tentative normal tax of 3 per centum of the amount of the net income in excess of the credits against net income provided in section 25, and by reducing such tentative normal tax by 5 per centum thereof. For alternative tax which may be elected if adjusted gross income is less than $5,000, see Supplement T.
(26 U.S.C. 1946 ed., Sec. 11.)

SEC. 12. SURTAX ON INDIVIDUALS.

(a) *Definition of "Surtax Net Income".*—As used in this section the term "surtax net income" means the amount of the net income in excess of the credits against net income provided in section 25 (b).

(b) [as amended by Sec. 101 (b) of the Revenue Act of 1945, *supra*] *Rates of Surtax.*—There shall be levied, collected, and paid for each taxable year upon the surtax net income of every individual a surtax determined by computing a tentative surtax under the the follow-

ing table, and by reducing such tentative surtax by 5 per centum thereof:

If the surtax net income is:	The tentative surtax shall be:
Not over $2,000.....	17% of the surtax net income.

* * * * *

(26 U.S.C. 1946 ed., Sec. 12.)

SEC. 22. GROSS INCOME.

* * * * *

(n) [as added by Sec. 8 (a) of the Individual Income Tax Act of 1944, c. 210, 58 Stat. 231] *Definition of "Adjusted Gross Income".*—As used in this chapter the term "adjusted gross income" means the gross income minus—

(1) *Trade and business deductions.*— * * *

(2) *Expenses of travel and lodging in connection with employment.*—

(3) *Reimbursed expenses in connection with employment.*— * * *

(4) *Deductions attributable to rents and royalties.*— * * *

(5) *Certain deductions of life tenants and income beneficiaries of property.*— * * *

(6) *Losses from sales or exchange of property.*— * * *

* * * * *

(26 U.S.C. 1946 ed., Sec. 22.)

SEC. 23. DEDUCTIONS FROM GROSS INCOME.

* * * * *

(aa) [as added by Sec. 9 (a) of the Individual Income Tax Act of 1944, *supra*] *Optional Standard Deduction for Individuals.*—

(1) *Allowance.*—In the case of an individual, at his election a standard deduction as follows:

* * * * *

(B) *Adjusted gross income less than $5,000.*—If his adjusted gross income is less than $5,000, the standard deduction shall be an amount equal to 10 per centum of the adjusted gross income upon the basis of which the tax applicable to the adjusted gross income of the taxpayer is determined under the tax table provided in section 400.

* * * * *

(3) *Method and effect of election.*—

* * * * *

(B) If the adjusted gross income shown on the return is less than $5,000, the standard deduction shall be allowed only if the taxpayer elects, in the manner provided in Supplement T, to pay the tax imposed by such supplement.

(C) If the taxpayer does not signify, in the manner provided by subparagraph (A) or (B), his election to take the standard deduction, it shall not be allowed. If he does so signify, such election shall be irrevocable.

* * * * *

(26 U.S.C. 1946 ed., Sec. 23.)

SEC. 25. CREDITS OF INDIVIDUAL AGAINST NET INCOME.

* * * * *

(b) [as amended by Sec. 102 (a) of the Revenue Act of 1945, *supra*] *Credits for Both Normal Tax and Surtax.*—

(1) *Credits.*—There shall be allowed for the purposes of both the normal tax and the surtax, the following credits against net income:

(A) An exemption of $500 for the taxpayer;

* * * * *

(26 U.S.C. 1946 ed., Sec. 25.)

Supplement T—Individuals with Adjusted Gross Income of Less than $5,000

[as added by Sec. 102 (a) of the Revenue Act of 1941, c. 412, 55 Stat. 687, and amended by Sec. 5 (a) of the Individual Income Tax Act of 1944, *supra*]

SEC. 400 [as amended by Sec. 103 (a) of the Revenue Act of 1945, *supra*] IMPOSITION OF TAX.

In lieu of the taxes imposed by sections 11 and 12, there shall be levied, collected, and paid for each taxable year upon the net income of each individual whose adjusted gross income for such year is less than $5,000, and who has elected to

pay the tax imposed by this supplement for such year, the tax shown in the following table:

If the adjusted gross income is—		And the number of exemptions is—			
		1	2	3	4 or more
At least	But less than	The tax shall be—			
***	***	***	***	***	***
1,600	1,625	181	86	0	0
* *	* *	*	*	*	*

(26 U.S.C. 1946 ed., Sec. 400.)

SEC. 401 [as amended by Sec. 102 (b) of the Revenue Act of 1945, *supra*] DEFINITION OF "EXEMPTION".

As used in the table in section 400, the term "number of exemptions" means the number of the exemptions allowed under section 25 (b) as credits against net income for the purpose of the normal tax and the surtax imposed by sections 11 and 12.

(26 U.S.C. 1946 ed., Sec. 401.)

SEC. 402. MANNER AND EFFECT OF ELECTION.

The election referred to in section 400 shall be exercised in the manner provided in regulations

prescribed by the Commissioner with the approval of the Secretary. * * *

(26 U.S.C. 1946 ed., Sec. 402.)

Treasury Regulations 111, promulgated under the Internal Revenue Code:

SEC. 29.23(aa)-1 [as added by T. D. 5425, 1945 Cum. Bull. 10]. *Standard Deduction.*—(a) *General.*—For taxable years beginning after December 31, 1943, the taxpayer may elect to take, in addition to the deductions from gross income allowable in computing adjusted gross income, a standard deduction in lieu of all nonbusiness deductions (that is, deductions other than those allowable under section 22 (n)) and in lieu of certain credits allowable to the taxpayer had he not so elected. * * * and, in the case of taxpayers whose adjusted gross income is less than $5,000, about 10 per cent of the adjusted gross income upon which the tax is determined in the table provided in section 400. A taxpayer having adjusted gross income of less than $5,000, who does not elect to pay the tax imposed by Supplement T, may not take the standard deduction.

* * * * *

(b) *Manner and effect of election to take the standard deduction.*—The following rules are prescribed with respect to the manner of signify-

ing an election by a taxpayer to take the standard deduction:

* * * * *

(2) If the adjusted gross income shown on the return is less than $5,000, the standard deduction is allowable only if the taxpayer elects in the manner provided in Supplement T to pay the tax imposed by such supplement. As to the manner and effect of election to pay the tax under Supplement T, see section 29.402-1. * * *

* * * * *

SEC. 29.400-1 [as amended by T. D. 5360, 1944 Cum. Bull. 361; T. D. 5425, 1945 Cum. Bull. 10; and T. D. 5517, 1946-2 Cum Bull. 8]. *Scope and Application of Supplement T.*— * * *

(b) *Taxable years beginning after December 31, 1943.*—For taxable years beginning after December 31, 1943, in lieu of the taxes imposed by section 11 and 12, an individual may elect to pay the tax imposed by section 400 if his adjusted gross income is less than $5,000, regardless of the sources from which such income is derived and regardless of whether such income is computed on the cash basis or on the accrual basis. * * *

* * * * *

To determine the amount of the tax for a taxable year beginning after December 31, 1943, the individual ascertains the amount of his adjusted

gross income, refers to the schedule set forth in section 400 which is applicable to the taxable year, ascertains the income bracket into which such income falls, and, using the number of exemptions (or surtax exemptions) applicable to his case, finds the tax in the vertical column having at the top thereof a number corresponding to the number of exemptions (or surtax exemptions) to which the taxpayer is entitled. Thus, if for 1946 A has adjusted gross income of $4,415 and has three exemptions, including his own exemption, his tax is $481.

* * * * *

SEC. 29.402-1 [as amended by T. D. 5425, 1945 Cum. Bull. 10]. *Manner of election to compute tax under Supplement T.*— * * *

(b) *Taxable years beginning after December 31, 1943.*—For taxable years beginning after December 31, 1943, the taxpayer elects to pay his income tax under Supplement T either by (1) filing a return of his gross income on Form W-2 (Rev.), prescribed in section 29.51-2, or (2) by filing a return on Form 1040 and electing in such return, in the manner prescribed in section 29.23 (aa)-1(b), to take the standard deduction provided in section 23 (aa). * * *

H. Conference Rep. No. 1203, 77th Cong., 1st Sess., p. 8 (1941-2 Cum. Bull. 509, 510):

* * * * *

If the taxpayer elects to use this simplified plan, the amount of the tax may be readily ascertained by reference to a table contained in the bill. This simplified return may be used only where the taxpayer's income is derived solely from salaries, wages, compensation for personal services, dividends, interest, rent, annuities, or royalties. If the taxpayer elects to use this method, no deductions or credits against net income are allowed. In lieu of these deductions and credits, the tax provided in the table represents a reduction, with respect to the average taxpayer in the bracket, of 10 per cent of the tax that would otherwise be payable without such deductions or credits. This 10 per cent reduction has been found to be the effect of the average amount of deductions taken by persons in these brackets. * * *

* * * * *

H. Rep. No. 1365, 78th Cong., 2d Sess., pp. 19-20 (1944 Cum. Bull. 821, 836-837):

* * * * *

Under existing law certain individual taxpayers, in lieu of computing the regular normal tax, surtax, and Victory tax, may elect to pay the tax imposed under the tax table found in Supplement T of the Code. This supplement, comprising sections 400 to 404, inclusive, contains, among the conditions upon its applicability, the re-

quirement that the taxpayer electing it have gross income under $3,000, consisting of salaries, wages, compensation for personal services, dividends, interest or annuities. Section 5 of the bill recasts Supplement T in keeping with the primary objective of simplification. In this connection the scope of the supplement is broadened so that any individual * * * may elect to pay the tax under Supplement T if his adjusted gross income for the taxable year is less than $5,000. The concept of "adjusted gross income" is the device employed for putting taxpayers with different types of income from varying sources in a position of substantial parity so that the simple tax table type of computation will hereafter be available to all persons with adjusted gross income under $5,000. * * *

Supplement T is amended by this section of the bill in the following respects:

(a) It is made applicable to adjusted gross incomes up to $5,000 instead of $3,000.

* * * * *

(d) The single tax table, which is to be incorporated in section 400, is constructed on brackets of $25 with respect to adjusted gross incomes from $550 to $3,000 and on brackets of $50 with respect to adjusted gross incomes of $3,000 or more. In determining the tax payable in each bracket, a standard deduction of 10 per cent of

the adjusted gross income at the midpoint of the bracket is allowed, as compared with the deduction of 6 per cent of gross income used in the table found in existing law.

* * * * *

The tax table under Supplement T automatically provides for one normal tax exemption in the computation of the amounts of tax for each bracket of adjusted gross income. * * *

Instructions for Tax Table on Page 4 of Form 1040 (1946):

Purpose of Table.—The table is a short-cut method of finding your income tax. It is provided by law and saves you the trouble of itemizing deductions and computing your tax on page 3 of the return. The table allows for: (a) Your exemptions—$500 for each person listed in item 1, page 1; (b) charitable contributions, interest, taxes, etc., approximating 10 percent of your income; and (c) the additional 5 percent reduction in both the tentative normal tax and surtax, as provided by the Revenue Act of 1945.

Arrangement of Table.—The table contains income columns and exemption columns. The income columns are headed by the words "At least—But less than." The exemption columns are headed by the numbers 1, 2, 3, 4, etc.

How to Find Your Tax.—Read down the income columns until you find the line that fits the income you reported in item 6 on page 1. Then read across that line until you come to the exemption column which is headed by a number corresponding to the number of persons you listed in item 1 on page 1. The figure you find there is your tax. *Example.*—If your income was $2,245 and you were entitled to three exemptions, you would find your tax opposite the income line "At least $2,225 but less than $2,250." You would read over to the column headed by the figure "3" and thus find your tax was $98.

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THE SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1951

Gussie P. Chapman,
Petitioner,
Vs.
Commissioner of Internal Revenue,
Respondent.
No. 573

PETITION FOR REHEARING

THE SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1951

Gussie P. Chapman, Petitioner, Vs. Commissioner of Internal Revenue, Respondent.	**No. 573**

PETITION FOR REHEARING

IN THE SUPREME COURT OF THE UNITED STATES

October Term, 1951

Gussie P. Chapman, Petitioner
vs.
Commissioner of Internal Revenue, Respondent.

No. 573

PETITION FOR REHEARING

NOTE: This Petition for Rehearing is based on the following telegram: "Dated: Washington, D. C., March 24, 1952, Gussie P. Chapman, Box 287, Helena, Montana. Petition for certiorari Chapman against Commissioner denied today. S/Chas. Elmore Cropley Clerk."

Comes now the Petitioner, Gussie P. Chapman, in good faith and without thought of delay, requests that the above case, No. 573, be granted or allowed a rehearing for reasons as follows:

Statement of Established Facts in This Case:

I

Petitioner elected to use the Tax table, page 4, 1040form, together with Sec. 400 of Int. Rev. Code, for the determination of her 1946 income taxes and income taxes for all subsequent years until such time as her adjusted gross income is over and above $5,000, or as long as adjusted gross income is less than $5,000.

II

Throughout the hearings in this case, the Petitioner **has not been allowed the use of the Tax table, page 4, 1040form,** for the determination of her income taxes.

III

Throughout the hearings in this case, the Petitioner has been denied the right to use the benefits of Sec. 400 of I. R. C. Aforesaid law when used in conjunction with the Tax table, page 4, 1040form, this law, Sec. 400 I. R. C., gives the Tax-payer his/her right to the personal exemption as allowed by law, $500 in 1946 and $600 since 1948. In denying the Tax-payer the use of this law, Sec. 400 of I. R. C., he/she is cheated of the personal exemption.

IV

Throughout the hearings in this case, the Respondent has, ignorantly or otherwise, persisted in computing the Petitioner's taxes according to Sec. 11 and Sec. 12 of Int. Rev. Code, and, thereby, the Petitioner is cheated of her right to use the Tax table, page 4, 1040form, in conjunction with Sec. 400 of I. R. C., for the determination of her income taxes. Sec. 400 of I. R. C. is **in lieu of** Sec. 11 and Sec. 12. By thus depriving the Petitioner of her right to use the Tax table, page 4, 1040form, in conjunction with Sec. 400 of I. R. C., this deprivation is cheating her of her personal exemption, $500 in 1946 and $600 since 1948.

V

Petitioner requests: that this honorable Court gives careful consideration to Exhibits A-B-C, page 12 in "Petition For Review" as submitted, by the Petitioner, to this Court January 31, 1951, and docketed February 7, 1952. These computations were referred to at the hearing before the United States Court of Appeals, for the Ninth Circuit, San Francisco, California, October 10, 1951. For reasons, best known to the Respondent and others, these exhibits of computations of the Petitioner's income taxes, have been omitted from all Transcripts of Record. This mission is a gross injustice to the Petitioner and said omissions render the Transcripts of Record as erroneous, faulty and incom-

plete documents or records. The computations in Exhibits A-B-C, page 12, in "Petition For Review"—these computations prove that the Tax table, page 4, 1040form, does not allow the tax-payer his/her personal exemption, as allowed by law to every tax-payer of the land, **UNLESS** the computation is made according to Sec. 400 of Int. Rev. Code, and in conjunction with the Tax table, page 4, 1040form.

VI

Petitioner requests: that the erroneous, faulty and incomplete Transcript of Record shall not be the sole source upon which this case is decided but that the decision shall be made upon proven facts, facts as proven by the Petitioner in her computation of her income taxes, for 1946 and all successive years, computed according to Sec. 400 of Int. Rev. Code and used in conjunction with the tax table, page 4, 1040form. The Tax table itself **does not** allow the tax-payer his/her personal exemption but must be used in conjunction with Sec. 400 of I. R. C. if the tax-payer is to receive the benefit of his/her personal exemption—$500 in 1946, and $600 since 1948.

CONCLUSION

Since the Petitioner elected to use the Tax table, page 4, 1040form, for the determination of her taxes since 1946 and until such time that her adjusted gross income is over and above $5,000; and

Since the Tax table, page 4, 1040form, has been the prime factor for consideration in this case; and

Since the Petitioner has proven beyond a doubt, by actual computation, that the **Tax table of itself does not allow the personal exemption,** as allowed by law, and unless the Tax table, page 4, 1040form, is used in conjunction with Sec. 400 of Int. Rev. Code, the tax-payer is cheated of his/her personal exemption; and Since the Respondent has

failed to prove that the Tax table, page 4, 1040form, does allow the much discussed **personal exemption;** and
Since the Respondent has failed to prove any point apropos to this case; and has only evaded and confused the issue by repeatedly computing the Petitioner's taxes according to Sec. 11 and Sec. 12—which was not the issue at all; however, that is all, i. e., computation of Petitioner's taxes according to Sec. 11 and Sec. 12, that the erroneous and faulty Transcript of Record reveals or records.

NOW THEREFORE: In view of the proven facts in this case, and as set forth herein, all former decisions in this case should be reversed and a fair and just decision rendered according to the merits of this case, and when that is done the decision will be in favor of the Petitioner.
If not contrary to the rules and regulations of this Court, the Petitioner requests: (a) an oral hearing of this case, and (b) that this honorable Court will, in its final decision, set forth and specify each fact or error for or against the Petitioner or Respondent and specify same in its findings and upon which the decision is based.

Respectfully Submitted,
GUSSIE P. CHAPMAN
Gussie P. Chapman,
Petitioner.

AFFIDAVIT

State of Montana
Lewis & Clark County } SS.

Gussie P. Chapman, of lawful age, and having been sworn, according to law, on oath says: she is the Petitioner in the foregoing petition, that she compiled the foregoing petition, knows its contents and says all allegations therein are correct and true to the best of her knowledge and belief.

GUSSIE P. CHAPMAN,
Affiant

Subscribed and sworn to before me this 26th day of March, 1952.

(SEAL)

H. L. GUSTINE,
Notary Public.

Notary Public for the State of Montana
Residing at Helena, Montana
My commission expires February 3rd, 1955.